

2013 DRAFTING REQUEST

Bill

Received: 12/5/2012 Received By: jkreye
Wanted: As time permits Same as LRB:
For: Garey Bies (608) 266-5350 By/Representing: cory
May Contact: Drafter: jkreye
Subject: Tax, Business - credits Addl. Drafters:
Extra Copies:

Submit via email: YES
Requester's email: Rep.Bies@legis.wisconsin.gov
Carbon copy (CC) to: joseph.kreye@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

Hospitality business advertising tax credit

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	jkreye 12/5/2012	jdyer 12/14/2012		_____			
/1			rschluet 12/14/2012	_____	mbarman 12/14/2012	mbarman 1/16/2013	State

FE Sent For:

at
Intro

<END>

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/?	jkreye	1	12/14 jld				
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(Handwritten signature/initials over the Proofed column)

FE Sent For:

<END>

Kreye, Joseph

From: Bruce, Cory
Sent: Tuesday, December 04, 2012 1:02 PM
To: Kreye, Joseph
Subject: another bill draft!

Hi Joe,
Can you redraft AB 205 (hospitality business advertising tax credits) for us?

Thanks,
Cory



State of Wisconsin
2011 - 2012 LEGISLATURE



LRB-1406/1

JK:jld:md

Keep

0725/11

2013 BILL
~~2011 ASSEMBLY BILL 205~~

July 25, 2011 - Introduced by Representatives BIES, BALLWEG, BROOKS, ENDSLEY, PETROWSKI, SPANBAUER and MEYER, cosponsored by Senators KEDZIE, OLSEN, HOLPERIN and SCHULTZ. Referred to Committee on Tourism, Recreation and State Properties

✓

re gen

- 1 AN ACT to amend 71.05 (6) (a) 15., 71.21 (4), 71.26 (2) (a) 4., 71.34 (1k) (g), 71.45
2 (2) (a) 10. and 77.92 (4); and to create 71.07 (5n), 71.10 (4) (cr), 71.28 (5n), 71.30
3 (3) (dn), 71.47 (5n) and 71.49 (1) (dn) of the statutes; relating to: a tax credit
4 for hospitality business advertising.✓

Analysis by the Legislative Reference Bureau

This bill creates an income and franchise tax credit equal to 10 percent of the amount that a taxpayer spends in the taxable year on advertising outside of this state to promote the taxpayer's hospitality business located in this state.✓ If the credit claimed by a taxpayer exceeds the taxpayer's tax liability, the state will not issue a refund check, but the taxpayer may carry forward any remaining credit to subsequent taxable years.✓

For further information see the **state** fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

- 5 SECTION 1. 71.05 (6) (a) 15. of the statutes is amended to read:
6 71.05 (6) (a) 15. The amount of the credits computed under s. 71.07 (2dd), (2de),
7 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r),

ASSEMBLY BILL 205

Insert 2-4 ✓
1 (3rm), (3rn), (3s), (3t), (3w), (5e), (5f), (5h), (5i), (5j), (5k), (5n), (5r), (5rm), and (8r) and
2 not passed through by a partnership, limited liability company, or tax-option
3 corporation that has added that amount to the partnership's, company's, or
4 tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) (g).

Insert A ✓
5 SECTION 2. [✓]71.07 ^(5p)(5n) of the statutes is created to read:
6

7 71.07 ^(5p)(5n) HOSPITALITY BUSINESS ADVERTISING CREDIT. (a) *Definitions*. In this
8 subsection:

9 1. "Claimant" means a person who files a claim under this subsection.
10 2. "Hospitality business" means a hospitality business located in this state,
11 including a business that is classified in the standard industrial classification
12 manual, 1987 edition, published by the U.S. office of management and budget, under
13 any of the following industry numbers: ✓

14 a. 5812 — Eating places. ✓

15 b. 5813 — Drinking places. ✓

16 c. 7011 — Hotels and motels. ✓

17 d. 7032 — Sporting and recreational camps. ✓

18 e. 7033 — Recreational vehicle parks and campsites. ✓

19 f. 7922 — Theatrical producers and miscellaneous theatrical services. ✓

20 g. 7929 — Bands, orchestras, actors, and other entertainers and entertainment
groups. ✓

21 h. 7948 — Racing, including track operation. ✓

22 i. 7992 — Public golf courses. ✓

23 j. 7996 — Amusement parks. ✓

24 k. 7997 — Membership sports and recreation clubs. ✓

25 L. 7999 — Amusement and recreational services, not elsewhere classified. ✓

ASSEMBLY BILL 205

(b) *Filing claims.* Subject to the limitations provided in this subsection, a claimant may claim as a credit against the tax imposed under s. 71.02, up to the amount of the tax, an amount equal to 10 percent of the amount the claimant spent in the taxable year on advertising outside of this state to promote the claimant's hospitality business. *(Insert B)*

(c) *Limitations.* Partnerships, limited liability companies, and tax-option corporations may not claim the credit under this subsection, but the eligibility for, and the amount of, the credit are based on their payment of amounts under par. (b). A partnership, limited liability company, or tax-option corporation shall compute the amount of credit that each of its partners, members, or shareholders may claim and shall provide that information to each of them. Partners, members of limited liability companies, and shareholders of tax-option corporations may claim the credit in proportion to their ownership interests.

(d) *Administration.* Section 71.28 (4) (e) to (h), as it applies to the credit under s. 71.28 (4), applies to the credit under this subsection.

SECTION 3. 71.10 (4) *(cs)* of the statutes is created to read:

71.10 (4) *(cs)* Hospitality business advertising credit under s. 71.07 *(5n)* *(5p)*

SECTION 4. 71.21 (4) of the statutes is amended to read:

71.21 (4) Credits computed by a partnership under s. 71.07 (2dd), (2de), (2di), (2dj), (2dL), (2dm), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3s), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5n), (5r), (5rm), and (8r) and passed through to partners shall be added to the partnership's income.

SECTION 5. 71.26 (2) (a) 4. of the statutes, as affected by 2011 Wisconsin Act 3, is amended to read:

ASSEMBLY BILL 205

SECTION 5

1 71.26 (2) (a) 4. Plus the amount of the credit computed under s. 71.28 (1dd),
2 (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (1dy), (3g), (3h), (3n), (3p), (3q), (3r),
3 (3rm), (3rn), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5n), (5r), (5rm), (8r), and
4 (9s) and not passed through by a partnership, limited liability company, or
5 tax-option corporation that has added that amount to the partnership's, limited
6 liability company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1k)
7 (g).

8 **SECTION 6.** 71.28 (5n) of the statutes is created to read:
9

10 71.28 (5n) HOSPITALITY BUSINESS ADVERTISING CREDIT. (a) *Definitions.* In this
11 subsection:
12

13 1. "Claimant" means a person who files a claim under this subsection.
14

15 2. "Hospitality business" means a hospitality business located in this state,
16 including a business that is classified in the standard industrial classification
17 manual, 1987 edition, published by the U.S. office of management and budget, under
18 any of the following industry numbers:
19

20 a. 5812 — Eating places.
21

22 b. 5813 — Drinking places.
23

24 c. 7011 — Hotels and motels.
25

d. 7032 — Sporting and recreational camps.

e. 7033 — Recreational vehicle parks and campsites.

f. 7922 — Theatrical producers and miscellaneous theatrical services.

g. 7929 — Bands, orchestras, actors, and other entertainers and entertainment
groups.

h. 7948 — Racing, including track operation.

i. 7992 — Public golf courses.

ASSEMBLY BILL 205

j. 7996 — Amusement parks. ✓

k. 7997 — Membership sports and recreation clubs. ✓

L. 7999 — Amusement and recreational services, not elsewhere classified. ✓

(b) *Filing claims.* ✓ Subject to the limitations provided in this subsection, a claimant may claim as a credit against the tax imposed under s. 71.23, up to the amount of the tax, an amount equal to 10 percent of the amount the claimant spent in the taxable year on advertising outside of this state to promote the claimant's hospitality business. *Insert B* ✓

(c) *Limitations.* ✓ Partnerships, limited liability companies, and tax-option corporations may not claim the credit under this subsection, but the eligibility for, and the amount of, the credit are based on their payment of amounts under par. (b). A partnership, limited liability company, or tax-option corporation shall compute the amount of credit that each of its partners, members, or shareholders may claim and shall provide that information to each of them. Partners, members of limited liability companies, and shareholders of tax-option corporations may claim the credit in proportion to their ownership interests. ✓

(d) *Administration.* ✓ Subsection (4) (e) to (h), as it applies to the credit under sub. (4), applies to the credit under this subsection. ✓

SECTION 7. 71.30 (3) *(dn)* *(dr)* of the statutes is created to read:

71.30 (3) *(dn)* *(dr)* Hospitality business advertising credit under s. 71.28 *(5n)* *(5p)*.

SECTION 8. 71.34 (1k) (g) of the statutes is amended to read:

71.34 (1k) (g) An addition shall be made for credits computed by a tax-option corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (1dy), (3), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5n), (5r), (5rm), and (8r) and passed through to shareholders.

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SECTION 9. 71.45 (2) (a) 10. of the statutes, as affected by 2011 Wisconsin Act 8, is amended to read:

71.45 (2) (a) 10. By adding to federal taxable income the amount of credit computed under s. 71.47 (1dd) to (1dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5n), (5r), (5rm), (8r), and (9s) and not passed through by a partnership, limited liability company, or tax-option corporation that has added that amount to the partnership's, limited liability company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) (g) and the amount of credit computed under s. 71.47 (1), (3), (3t), (4), (4m), and (5).

SECTION 10. [†]71.47 (5n) of the statutes is created to read:

71.47 (5n) ^(5p) HOSPITALITY BUSINESS ADVERTISING CREDIT. (a) *Definitions*. In this subsection: ^{(5p) ③}

① "Claimant" means a person who files a claim under this subsection.

② "Hospitality business" means a hospitality business located in this state, including a business that is classified in the standard industrial classification manual, 1987 edition, published by the U.S. office of management and budget, under any of the following industry numbers: ✓

a. 5812 — Eating places. ✓

b. 5813 — Drinking places. ✓

c. 7011 — Hotels and motels. ✓

d. 7032 — Sporting and recreational camps. ✓

e. 7033 — Recreational vehicle parks and campsites. ✓

f. 7922 — Theatrical producers and miscellaneous theatrical services. ✓

g. 7929 — Bands, orchestras, actors, and other entertainers and entertainment groups. ✓

ASSEMBLY BILL 205

h. 7948 — Racing, including track operation.✓

i. 7992 — Public golf courses.✓

j. 7996 — Amusement parks.✓

k. 7997 — Membership sports and recreation clubs.✓

L. 7999 — Amusement and recreational services, not elsewhere classified.✓

(b) *Filing claims.* Subject to the limitations provided in this subsection, a claimant may claim as a credit against the tax imposed under s. 71.43, up to the amount of the tax, an amount equal to 10 percent of the amount the claimant spent in the taxable year on advertising outside of this state to promote the claimant's hospitality business. *(Insert B)*✓

(c) *Limitations.* Partnerships, limited liability companies, and tax-option corporations may not claim the credit under this subsection, but the eligibility for, and the amount of, the credit are based on their payment of amounts under par. (b). A partnership, limited liability company, or tax-option corporation shall compute the amount of credit that each of its partners, members, or shareholders may claim and shall provide that information to each of them. Partners, members of limited liability companies, and shareholders of tax-option corporations may claim the credit in proportion to their ownership interests.

(d) *Administration.* Section 71.28 (4) (e) to (h), as it applies to the credit under s. 71.28 (4), applies to the credit under this subsection.✓

SECTION 11. 71.49 (1) (dn) of the statutes is created to read:

71.49 (1) (dn) Hospitality business advertising credit under s. 71.47 (5n).✓ (sp)

SECTION 12. 77.92 (4) of the statutes is amended to read:

77.92 (4) "Net business income," with respect to a partnership, means taxable income as calculated under section 703 of the Internal Revenue Code; plus the items

ASSEMBLY BILL 205

SECTION 12

1 of income and gain under section 702 of the Internal Revenue Code, including taxable
2 state and municipal bond interest and excluding nontaxable interest income or
3 dividend income from federal government obligations; minus the items of loss and
4 deduction under section 702 of the Internal Revenue Code, except items that are not
5 deductible under s. 71.21; plus guaranteed payments to partners under section 707
6 (c) of the Internal Revenue Code; plus the credits claimed under s. 71.07 (2dd), (2de),
7 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r),
8 (3rm), (3rn), (3s), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5n), (5r), (5rm), and
9 (8r); and plus or minus, as appropriate, transitional adjustments, depreciation
10 differences, and basis differences under s. 71.05 (13), (15), (16), (17), and (19); but
11 excluding income, gain, loss, and deductions from farming. "Net business income,"
12 with respect to a natural person, estate, or trust, means profit from a trade or
13 business for federal income tax purposes and includes net income derived as an
14 employee as defined in section 3121 (d) (3) of the Internal Revenue Code.

SECTION 13. Initial applicability.

15
16 (1) This act first applies to taxable years beginning on January 1 of the year
17 in which this subsection[✓] takes effect, except that if this subsection takes effect after
18 July 31 this act first applies to taxable years beginning on January 1 of the year
19 following the year in which this subsection takes effect.[✓]

(END)

d-note
↓

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

date

1
LRB-0725/7dn

JK:.....

JLd

Representative Bies:

This draft is based on 2011 Assembly Bill 205,[✓] as amended by Assembly Amendment 1.

Joseph T. Kreye
Senior Legislative Attorney
Phone: (608) 266-2263
E-mail: joseph.kreye@legis.wisconsin.gov

**2013-2014 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-0725/?ins
JK:.....

Insert 2 - 4

SECTION 1. 71.05 (6) (a) 15. of the statutes is amended to read:

71.05 (6) (a) 15. Except as provided under s. 71.07 (3p) (c) 5., the amount of the credits computed under s. 71.07 (2dd), (2de), (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3s), (3t), (3w), (5e), (5f), (5h), (5i), (5j), (5k), (5p), (5r), (5rm), (6n), and (8r) and not passed through by a partnership, limited liability company, or tax-option corporation that has added that amount to the partnership's, company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) (g).

NOTE: NOTE: Subd. 15. is shown as affected by 2011 Wis. Acts 212, 232, and 237 and as merged by the legislative reference bureau under s. 13.92 (2) (i). NOTE:

History: 1987 a. 312; 1987 a. 411 ss. 42, 43, 45, 47 to 49, 51 to 53; 1989 a. 31, 46; 1991 a. 2, 37, 39, 269; 1993 a. 16, 112, 204, 263, 437; 1995 a. 27, 56, 209, 227, 261, 371, 403, 453; 1997 a. 27, 35, 39, 237; 1999 a. 9, 32, 44, 54, 65, 167; 2001 a. 16, 104, 105, 109; 2003 a. 85, 99, 119, 135, 183, 255, 289, 321, 326; 2005 a. 22, 25, 216, 254, 335, 361, 479, 483; 2007 a. 20, 96, 226; 2009 a. 2, 28, 205, 265, 269, 276, 295, 332, 344; 2011 a. 3, 5, 10, 32, 212, 232, 237; 2011 a. 260 ss. 80, 81; s. 13.92 (1) (bm) 2., (2) (i).

SECTION 2. 71.05 (6) (b) 47. b. of the statutes is amended to read:

71.05 (6) (b) 47. b. With respect to partners and members of limited liability companies, for taxable years beginning after December 31, 2010, for 2 consecutive taxable years beginning with the taxable year in which the partnership's or limited liability company's business locates to this state from another state or another country and begins doing business in this state, as defined in s. 71.22 (1r), and subject to the limitations provided under subd. 47. d. and e., the partner's or member's distributive share of taxable income as calculated under section 703 of the Internal Revenue Code; plus the items of income and gain under section 702 of the Internal Revenue Code, including taxable state and municipal bond interest and excluding nontaxable interest income or dividend income from federal government obligations; minus the items of loss and deduction under section 702 of the Internal Revenue Code, except items that are not deductible under s. 71.21; plus guaranteed payments to partners under section 707 (c) of the Internal Revenue Code; plus the credits



claimed under s. 71.07 (2dd), (2de), (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3s), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5p)✓(5r), (5rm), and (8r); and plus or minus, as appropriate, transitional adjustments, depreciation differences, and basis differences under s. 71.05 (13), (15), (16), (17), and (19), multiplied by the apportionment fraction determined in s. 71.04 (4) and subject to s. 71.04 (7) or by separate accounting. No amounts subtracted under this subd. 47. b. may be included in the modification under par. (b) 9. or 9m.

History: 1987 a. 312; 1987 a. 411 ss. 42, 43, 45, 47 to 49, 51 to 53; 1989 a. 31, 46; 1991 a. 2, 37, 39, 269; 1993 a. 16, 112, 204, 263, 437; 1995 a. 27, 56, 209, 227, 261, 371, 403, 453; 1997 a. 27, 35, 39, 237; 1999 a. 9, 32, 44, 54, 65, 167; 2001 a. 16, 104, 105, 109; 2003 a. 85, 99, 119, 135, 183, 255, 289, 321, 326; 2005 a. 22, 25, 216, 254, 335, 361, 479, 483; 2007 a. 20, 96, 226; 2009 a. 2, 28, 205, 265, 269, 276, 295, 332, 344; 2011 a. 3, 5, 10, 32, 212, 232, 237; 2011 a. 260 ss. 80, 81; s. 13.92 (1) (bm) 2., (2) (i).

Insert 4 - 7

SECTION 3. 71.21 (4) (a) of the statutes is amended to read:

71.21 (4) (a) The amount of the credits computed by a partnership under s. 71.07 (2dd), (2de), (2di), (2dj), (2dL), (2dm), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3s), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5p)✓(5r), (5rm), (6n), and (8r) and passed through to partners shall be added to the partnership's income.

NOTE: NOTE: Par. (a) is shown as affected by 2011 Wis. Acts 212 and 232 and as merged by the legislative reference bureau under s. 13.92 (2) (i). NOTE:

History: 1987 a. 312, 411; 1989 a. 31; 1993 a. 112; 1995 a. 27, 400; 1997 a. 27; 2001 a. 16; 2003 a. 99, 135, 255, 326; 2005 a. 74, 361, 479, 483; 2007 a. 20, 96; 2009 a. 2, 28, 265, 269, 295, 332; 2011 a. 32, 212, 232; 2011 a. 260 s. 80; s. 13.92 (2) (i).

SECTION 4. 71.26 (2) (a) 4. of the statutes is amended to read:

71.26 (2) (a) 4. Plus the amount of the credit computed under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (1dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5p)✓(5r), (5rm), (6n), (8r), and (9s) and not passed through by a partnership, limited liability company, or tax-option corporation that has added that amount to the partnership's, limited liability company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) (g).

1 ~~NOTE: NOTE: Subd. 4. is shown as affected by 2011 Wis. Acts 212 and 232 and as merged by the legislative reference bureau under s. 13.92 (2) (i). NOTE:~~

~~History: 1987 a. 312; 1987 a. 411 ss. 22, 124 to 129; 1989 a. 31, 336; 1991 a. 37, 39, 221, 269; 1993 a. 16, 112, 246, 263, 399, 437, 491; 1995 a. 27, 56, 351, 371, 380, 428; 1997 a. 27, 37, 184, 237; 1999 a. 9, 65; 1999 a. 150 s. 672; 1999 a. 167, 194; 2001 a. 16, 38, 106, 109; 2003 a. 33, 85, 99, 135, 255, 326; 2005 a. 25, 74, 335, 361, 362, 479, 483; 2007 a. 20, 96, 97, 151, 226; 2009 a. 2, 28, 161, 165, 180, 183, 205, 265, 269, 295, 332, 344; 2011 a. 3, 5, 7, 10, 32, 212, 232; 2011 a. 260 s. 80; s. 13.92 (2) (i); s. 35.17 correction in (2) (a) 10.~~

Insert 6 - 9

2 **SECTION 5.** 71.34 (1k) (g)^x of the statutes is amended to read:

3 71.34 (1k) (g) An addition shall be made for credits computed by a tax-option
4 corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (1dy),
5 (3), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j),
6 (5k), (5p)[✓], (5r), (5rm), (6n), and (8r) and passed through to shareholders.

~~NOTE: NOTE: Par. (g) is shown as affected by 2011 Wis. Acts 212 and 232 and as merged by the legislative reference bureau under s. 13.92 (2) (i). NOTE:~~
~~History: 1987 a. 312; 1987 a. 411 ss. 18, 23, 146; 1989 a. 31, 336; 1991 a. 39, 269; 1993 a. 16, 437; 1995 a. 27, 380, 428; 1997 a. 27, 37, 237; 1999 a. 9, 194; 2001 a. 16, 109; 2003 a. 33, 99, 135, 255, 326; 2005 a. 25, 49, 74, 361, 479, 483; 2007 a. 20, 96, 226; 2009 a. 2, 28, 161, 183, 265, 269, 295, 332; 2011 a. 32, 212, 232; 2011 a. 260 s. 80; s. 13.92 (2) (i).~~

7 **SECTION 6.** 71.45 (2) (a) 10.^x of the statutes is amended to read:

8 71.45 (2) (a) 10. By adding to federal taxable income the amount of credit
9 computed under s. 71.47 (1dd) to (1dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn),
10 (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5p)[✓], (5r), (5rm), (6n), (8r), and (9s) and not
11 passed through by a partnership, limited liability company, or tax-option
12 corporation that has added that amount to the partnership's, limited liability
13 company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) (g) and
14 the amount of credit computed under s. 71.47 (1), (3), (3t), (4), (4m), and (5).

~~NOTE: NOTE: Subd. 10. is shown as affected by 2011 Wis. Acts 212 and 232 and as merged by the legislative reference bureau under s. 13.92 (2) (i). NOTE:~~
~~History: 1987 a. 312; 1989 a. 31, 336, 359; 1991 a. 37, 39, 269; 1993 a. 16, 112, 263, 437; 1995 a. 27, 56, 371, 380; 1997 a. 27, 37, 237; 1999 a. 9, 65; 1999 a. 150 s. 672; 1999 a. 167, 194; 2001 a. 16, 38, 109; 2003 a. 37, 85, 99, 135, 255, 326; 2005 a. 74, 297, 335, 361, 479, 483; 2007 a. 20, 96, 226; 2009 a. 2, 28, 165, 205, 265, 269, 295, 332, 344; 2011 a. 3, 5, 32, 212, 232; 2011 a. 260 s. 80; 13.92 (2) (i).~~

Insert 8 - 14

15 **SECTION 7.** 77.92 (4)^x of the statutes is amended to read:

16 77.92 (4) "Net business income," with respect to a partnership, means taxable
17 income as calculated under section 703 of the Internal Revenue Code; plus the items
18 of income and gain under section 702 of the Internal Revenue Code, including taxable
19 state and municipal bond interest and excluding nontaxable interest income or



1 dividend income from federal government obligations; minus the items of loss and
2 deduction under section 702 of the Internal Revenue Code, except items that are not
3 deductible under s. 71.21; plus guaranteed payments to partners under section 707
4 (c) of the Internal Revenue Code; plus the credits claimed under s. 71.07 (2dd), (2de),
5 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r),
6 (3rm), (3rn), (3s), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5n), [✓](5p), (5r), (5rm),
7 (6n), and (8r); and plus or minus, as appropriate, transitional adjustments,
8 depreciation differences, and basis differences under s. 71.05 (13), (15), (16), (17), and
9 (19); but excluding income, gain, loss, and deductions from farming. "Net business
10 income," with respect to a natural person, estate, or trust, means profit from a trade
11 or business for federal income tax purposes and includes net income derived as an
12 employee as defined in section 3121 (d) (3) of the Internal Revenue Code.

History: 1989 a. 335; 1991 a. 39, 269; 1993 a. 16, 112, 490; 1995 a. 27, 209; 1997 a. 27; 1999 a. 9; 2001 a. 16; 2003 a. 99, 135, 255, 326; 2005 a. 74, 361, 479, 483; 2007 a. 20, 96; 2009 a. 2, 28, 265, 269, 295, 332; 2011 a. 32, 212; 2011 a. 260 s. 80.



State of Wisconsin
2011 - 2012 LEGISLATURE



LRBa1558/1
JK:med:jf

**ASSEMBLY AMENDMENT 1,
TO 2011 ASSEMBLY BILL 205**

October 17, 2011 - Offered by Representative BIES.

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 2, line 7: after that line insert:

3 *Insert A*
4 **1.** "Advertising" means radio and television commercials and advertising that
5 appears in printed form, including billboards and advertisements in newspapers and
6 magazines.

6 **2.** Page 2, line 8: delete "1." and substitute "2."

7 **3.** Page 2, line 9: delete "2." and substitute "3."

8 **4.** Page 3, line 5: after "business" insert *Insert B*, if the cost of the advertising was
9 directly incurred by the claimant's business operations in this state".

10 **5.** Page 4, line 10: after that line insert.

1 "1. "Advertising" means radio and television commercials and advertising that
2 appears in printed form, including billboards and advertisements in newspapers and
3 magazines."

4 **6.** Page 4, line 11: delete "1." and substitute "2."

5 **7.** Page 4, line 12: delete "2." and substitute "3."

6 **8.** Page 5, line 8: after "business" insert ", if the cost of the advertising was
7 directly incurred by the claimant's business operations in this state".

8 **9.** Page 6, line 12: after that line insert:

9 "1. "Advertising" means radio and television commercials and advertising that
10 appears in printed form, including billboards and advertisements in newspapers and
11 magazines."

12 **10.** Page 6, line 13: delete "1." and substitute "2."

13 **11.** Page 6, line 14: delete "2." and substitute "3."

14 **12.** Page 7, line 10: after "business" insert ", if the cost of the advertising was
15 directly incurred by the claimant's business operations in this state".

16 (END)

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-0725/1dn
JK:jld:rs

December 14, 2012

Representative Bies:

This draft is based on 2011 Assembly Bill 205, as amended by Assembly Amendment 1.

Joseph T. Kreye
Senior Legislative Attorney
Phone: (608) 266-2263
E-mail: joseph.kreye@legis.wisconsin.gov

Barman, Mike

From: Bruce, Cory
Sent: Wednesday, January 16, 2013 8:26 AM
To: LRB.Legal
Subject: Draft Review: LRB -0725/1 Topic: Hospitality business advertising tax credit

Please Jacket LRB -0725/1 for the ASSEMBLY.